

UNITED NATIONS DEVELOPMENT PROGRAMME



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DP/PROJECTS/7300

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF VENEZUELA

IPF:(1992-96) \$ 3 728 000

(VEN/92/015) - Feasibility Studies for the Environmentally Sound Development of River Basins and the Improvement of Water and Sewage Systems

Date of approval by the AC: ^{1/}	3 June 1992
Expected duration:	Two years
Proposed executing agency:	Government
Government implementing agency:	Ministry of the Environment and Renewable Natural Resources
Proposed UNDP contribution:	nil
Government cost sharing:	5 025 700 Source of funds: IPF
Total UNDP budget:	5 025 700

Project background

The development strategy followed by Venezuela during the last three decades has concentrated the population and industrial activity in few areas. This has contributed to the deterioration of the environment, through mining, oil exploration, industrial activity and the disposal of untreated sewage into rivers, lakes and the sea. The supply of water to populated areas and industrial activities is increasingly becoming more difficult; and water shortages are now more frequent.

The Government is implementing a number of programmes directed to reduce population pressure and the expansion of industrial activities in areas with delicate environmental conditions. In particular, it has initiated an important programme to improve the management, conservation and development of river basins, that includes the development of the Orinoco-Apure river basin. To complement these actions, the Government has also begun a number of initiatives to strengthen its capacity to carry out environmental impact studies of large investment projects in order to ensure that the development of specific areas take into account environmental concerns. At the same time, the Government is taking action to solve specific environmental problems to reduce pollution and regenerate specific areas of the country.

In order to complement the resources that are required to implement these programmes, the Government has obtained a loan from the Interamerican Development Bank (IDB) to carry out initial studies to support the development of river basins, plan future investments for

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the improvement of water and sewage systems, and reduce the damage to the environment. Furthermore, the Ministry of the Environment and Renewable Natural Resources has made an assessment of its position to implement these programmes without delay; and has concluded that it needs the direct support of UNDP to carry out a number of feasibility studies. This support will be the basis for major investments. To strengthen the technical and operational capacity of the Directorates for river basin conservation and environmental monitoring and control, the office responsible for the Orinoco-Apure programme, and the Water Company in charge of the Capital Zone and the Vargas Borough, HIDROCAPITAL, the Government requested UNDP assistance under the present approval.

Description of project

The proposed project will contribute to the achievement of the first and third concentration areas of the Fifth Country Programme, which are directed to support the decentralization and modernization of the public sector and the conservation of the environment and management of natural resources. It will provide feasibility studies to take sound investment decisions for the conservation of the environment and development of river basins and water supply and sewage systems, and strengthen the capacity of the Ministry of the Environment and Renewable Natural Resources in these areas. The immediate objectives of the project are to: (a) develop river basins to prepare river basin and conservation studies for the main areas of the country; (b) prepare a development plan for the navigation of the Orinoco-Apure River Basin; (c) conserve the environment to support the institutional development of the Directorate for Environmental Conservation; and (d) establish water supply and sewage systems to prepare studies for the institutional development and operational improvement of the water supply public enterprises operating in the Vargas Borough.

Inputs

UNDP will provide 217 work-months of international and national professional personnel in project evaluation and monitoring (122 work-months), water and sewage engineering (46 work-months), socio-economic evaluation (26 work-months), and miscellaneous technical consultants (32 work-months); subcontracts for the design of the Maya dam (US\$ 658,000), water distribution systems (US\$ 630,000), sewage systems (US\$ 364,000), organization and institution development (US\$ 275,000), socio-economic study (US\$ 325,000), soil conservation (US\$ 83,000), hydrological studies (US\$ 153,000), rural and agricultural development (US\$ 161,000), soil erosion (US\$ 92,000), bathymetry study (US\$ 92,000), topographic survey (US\$ 61,000), river load and transportation modes (US\$ 200,000), study of ports improvement (US\$ 265,000), survey water ways capacity (US\$ 275,000), and pre-feasibility studies for Orinoco river investments (US\$ 280,000); on-the-job training on water supply and sewage systems, environmental impact analysis, and river basin conservation and development; equipment for information systems; and miscellaneous costs.

Financial data

	\$
Personnel	522 800
Subcontract	4 365 600
Training	38 000
Equipment	51 300
Miscellaneous	48 000
Total	<u>5 025 700</u>

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF BOLIVIA

IPF: (1992-96) \$ 23 713 000

(BOL/92/002) - Restructuring of Public Enterprises in Bolivia

Date of approval by the AC: ^{1/}	3 June 1992
Expected duration:	20 months
Proposed executing agency:	UNDP/OPS
Government implementing agency:	Ministry of Planning and Coordination
Government cost sharing:	\$ 1 202 400 Source of funds: IDB
Total UNDP budget:	\$ 1 202 400

Project background

In the early 1980's, the Bolivian economy suffered a severe crisis, with hyperinflation reaching 22,000 percent annually, a large foreign debt and state deficit, high unemployment, and much social unrest. To address the situation, Bolivia embarked on a program of structural adjustment which included inter alia reform of the public sector. Besides streamlining the structures of the executive branch, the Reforms Program envisaged deregulation of services, privatization of a large majority of the 159 state owned enterprises and the creation of legislation designed to encourage private and foreign investments. It is in this context that the Government requested UNDP assistance.

UNDP assistance began in 1988 under the framework of the project (BOL/88/002) Restructuring of the Public Enterprise Sector with co-financing from the IDB. The project assisted the Ministry of Planning in undertaking an inventory of its public enterprises nationwide and in initiating an analysis of some of the larger public enterprises. The present project is effectively a continuation of BOL/88/002 and is to expand the number of enterprises to be covered maintaining co-financing from a new IDB loan. The project is fully congruent with the first (Reform of the State) and second (Economic Reactivation) area of concentration of the Fifth Country Programme.

An initial analysis of the 159 public enterprises revealed that 96 would require serious managerial and structural overhauling to increase their efficiency. Those that were mixed (partly state and partly private) enterprises could be legally privatized immediately. The others would have to await the approval of new legislation, a process that is expected to take approximately three to four years. The present law prohibits state-owned (100 percent ownership) enterprises from being privatized. However, in order not to slow down the

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impetus in the process of public sector reform, the Government has decided to pursue other mechanisms that would, irrespective of the degree of state ownership, modernize the public enterprises. To this end, UNDP assistance was requested under the present approval.

Description of project

The immediate objectives of the project are to: (a) prepare and negotiate "Contratos de Rendimiento" (Performance Contracts) for the ten largest public owned companies (accounting for about 92 percent of the turnover of all public enterprises); (b) privatize four companies, namely ENF (Matches), LINABOL (Airlines), ELFEC (Electricity in Cochabamba), and FANEXA (Combustibles) and include analyses of economic and technical viability, market value, sales strategy and recommendations on price and potential purchasers; (c) constitute and operationalize a Unit for Execution of Public Companies Reorganization (UERE) in the Ministry of Planning and Coordination, which will collaborate with ministries and enterprises in the negotiation, formulation and follow-up of Performance contracts and in the process of privatization; and (d) strengthen the sectorial ministries such that they may provide the enterprises with the adequate policy, financial and administrative framework required to ensure efficiency in the management and administration of enterprises operating within their sectors.

Project activities will include: (a) enabling the performance contracts to lay out production schedules, investment requirements, managerial and administrative procedures and outputs for the individual enterprises; (b) conducting a thorough analysis of the existing state of the enterprise and recommendations for its restructuring/modernization with the assistance of the Harvard Institute for International Development; and (c) training members of the UERE so that they may assume the functions of independent overseer of the public enterprise sector in the longer term, at least till such time that it becomes largely privatized.

Inputs

UNDP will provide a national project director (16 work-months), national consultants in managerial information systems (11 work-months), managerial planning (eight work-months), business strategy (14 work-months), macroeconomics policies (four work-months), performance contract negotiation, formulation, administration, monitoring and evaluation (113 work-months) and in training programs (five work-months); a local coordinator in privatization (12 work-months), a specialized economist (12 work-months), a legal consultant (12 work-months), and an environmental impact consultant (two work-months); and two subcontracts for approximately 30 work-months re the Harvard Institute for International Development (HIDD) and consultant firms.

Financial data

	\$
Personnel	314 200
Subcontract	888 200
Total	<u>1 202 400</u>

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF ARGENTINA

IPF:(1992-96) \$9 455 000

(ARG/92/003) - Civil Aviation

Date of approval by the AC: ^{1/}	3 June 1992
Expected duration:	36 months
Proposed executing agency:	ICAO
Government implementing agency:	Direccion Nacional de Aeronavegabilidad (DNA)
Proposed UNDP contribution:	\$ 502 500 Source of funds: IPF
Government cost sharing:	\$ 872 400
Total UNDP budget:	\$ 1 374 900

Project background

The Government of Argentina is in the midst of implementing an economic policy in order to stabilize the economy, revitalize production, and restructure the role of the State. In this context, specific importance will be given to measures that will contribute to opening up the economy towards international markets by increasing competitiveness both through increased quality and reducing the cost of the factors of production. As signatory to the Chicago International Civil Aviation Convention, Argentina is required to enforce the standards, recommended practices and procedures laid down by the International Civil Aviation Organization (ICAO). The DNA has been entrusted with national aircraft registration, with the control of production and research centers, and more broadly, with fostering the development of the Argentine aeronautical industry. The DNA is also responsible for coordinating activities with accredited international organizations and with its equivalent entities in other countries. The current project represents a new phase of

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UNDP/ICAO assistance to the Argentine civil aviation sector, which began in 1978 and which has been directed at establishing the National Directorate of Airworthiness (DNA) and fostering its development.

An independent evaluation of the most recent phase of assistance (ARG/90/002) Airworthiness, carried out in October 1991, concluded that UNDP/ICAO assistance had made a decisive contribution towards establishing a competent, adequately staffed and efficient civil aviation infrastructure in Argentina, despite the adverse economic conditions. The mission cited the bilateral airworthiness certification agreement signed with the United States Federal Aviation Administration in June 1989 as the project's most visible achievement. This agreement recognizes the DNA as a certifying agency for aeronautical products, thereby facilitating the export of Argentine products. The Evaluation Mission fully supported the continuation of UNDP/ICAO technical assistance to the DNA, on the grounds that the enhancement and updating of regulatory documentation needed to be continued and that levels of staff qualification needed to be improved through the development of in-house technical training capacity, and through external fellowships.

Description of project

The development objectives of the project are to: (a) contribute to sustained economic growth; (b) strengthen the management capacity of the State; and (c) improve the social conditions. The immediate objectives of the project are to: (a) adapt and update civil aviation legislation, practices and procedures; (b) provide training to secure the availability of professional staff; and (c) implement fully data processing systems.

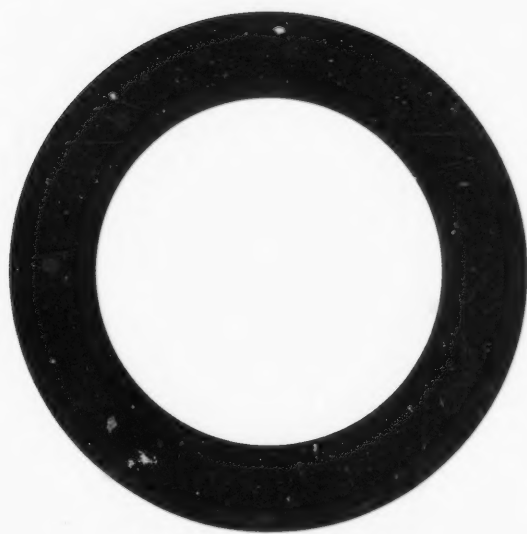
Project activities will include: (a) upgrading the operational security of aircraft to internationally accepted standards through modification of norms and procedures and training of technical personnel; (b) implementing a system for the certification of aeronautical parts/products, as well as a system of continuous airworthiness; (c) creating a register of national aircraft through updating of legal framework; (d) incorporating TRAINAIR for training and certification of technical personnel; (e) designing improved procedures for the prevention and investigation of accidents; and (f) implementing improved administrative efficiency through computerization and training of personnel. At the end of the project it is expected that the Argentine aeronautical industry will have improved its competitiveness and that the civil aviation authorities can comply fully with the bilateral agreement with the FAA, as well as sustain a dialogue with the FAA and with similar organizations abroad, notably in Brazil.

Inputs

UNDP will provide international experts and consultants: TRAINAIR (18 work-months), continuous airworthiness (general) (four work-months), continuous airworthiness (transportation) (six work-months), certification of helicopters (two work-months), certification of engines (two work-months), certification of aeronautical parts (two work-months), and investigation of aviation accidents (four work-months); 27 external fellowships in addition to local training in data processing and quality control; and equipment including non-expendable items (PC-hardware, telecommunications, and training support materials).

Financial data

	\$
Personnel	670 400
Training	187 300
Equipment	408 200
Miscellaneous	109 000



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**APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
CHINA
IPF: (1992-96) \$176 600 000
(CPR/91/120) - Agricultural Inputs and Practice:
Sustainable Pest Control and Soil Fertility Programme**

Date of approval by the AC: ^{1/}	10 June 1992
Expected duration:	Five years
Proposed executing agency:	Government
Government implementing agency:	Ministry of Chemical Industries, and Ministry of Agriculture
Proposed UNDP contribution:	\$4 688 800
Government cost sharing:	\$ 420 000
Total UNDP budget:	\$5 108 800

Project background

China has a total land area of 9.6 million sq. km. out of which only 133 million hectares are arable. About 50 per cent of the arable land is irrigated of which 50 per cent is double cropped. Food crops take up 80 per cent of the area. Some 190 million farm families are dependent on agriculture; and although agricultural output has increased by about 33 per cent over 1978-79 levels, China still imports 5 per cent of total supply to meet food demands despite wide-ranging agroclimatic conditions within the country. The Government emphasizes increasing yield rather than reclamation of virgin/forest land. Two of the main constraints are the current state of pest control and soil fertility. The judicious use of pesticides and fertilizers are an important component of overall approaches to pest control and the building of soil fertility. However, existing pesticide and fertilizer catalyst carrier formulations are not only affecting the capacity utilization of the producing factories but also resulting in lower agricultural production and endangering human health and the environment.

There are only three types of pesticide formulation available to farmers, which are both less effective and more polluting and unsafe than formulations available elsewhere. The non-availability of good catalysts for the production of ammonia/urea is impairing the capacity utilization of the producing plants and increasing cost of production of the final fertilizer products besides endangering the environment due to disposal of poor grade catalysts. Limited balanced use of fertilizers has lead to not only less efficiency but also extensive use and costs, and to the pollution of the ground water with nitrite nitrogen. Bi-lateral arrangements and joint ventures in this sector have placed their interest in capital intensive areas of production. Thus, China still does not have the level of human technical and managerial skills for necessary R & D to improve approaches, products, and applications. To reform existing installations, adopt improved formulations, save energy, reduce consumption of raw materials, and improve balanced use of inputs, the Government requested UNDP assistance under the present approval.

Description of project

The development objective of the programme is to build further the technical and managerial capabilities of those engaged in the production and usage of the two most important agricultural production inputs - fertilizers and pesticides as well as incorporate

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broad approaches to pest control and soil fertility.

The programme components will seek to: (a) increase the efficiencies of pesticide formulation, reduce wastage, reduce occupational health problems at the manufacture as well as user end and also alleviate environmental pollution; (b) enhance the research and development capabilities for suitable catalyst carriers in order to improve their performance needed for increased fertilizer productivity; (c) establish models of balanced fertilization thereby increasing fertilizer use efficiency of the crops and reducing ground water pollution caused by excessive use of nitrogenous fertilizers; and (d) strengthen linkages between the manufacturing industry and the farmers through an effective agricultural extension network.

The basic strategy will provide advisory services, training, upgraded laboratory and pilot test facilities to enhance technical and managerial skills, enable the Nanshen Chemical Research and Development Corp. (NSCC) and the Tianjin Research Institute of Chemical Industries (TRICI) to become centers of excellence, and the Ministry of Agriculture to be able to develop appropriate balanced models for the entire country through work in a target area of seven provinces. Computer modelling of crops, soils, pest control, climate and other factors will be introduced as a rapid tool for testing approaches being developed once basic field data is available. The programme will interact on a regular basis with (RAS/88/031) Pesticide Network Programme for Asia and the Pacific (the project CTA would work in China as well) especially using TCDC and other appropriate modalities. The Management Support Component will enhance interaction and cooperation between the two ministries responsible for use of inputs and for their production leading to products more responsive to farmer needs and environmentally safer. Assistance will also target improved safety and health for production workers and farmers which will impact especially on women who make up a large proportion of the work force.

Inputs

UNDP will provide approximately 84 man-months of international experts excluding the monitoring/management components of the programme; 216 man-months of training and study tours for the Chinese trainees in foreign institutions; and proper equipment to upgrade the laboratories and the pilot plant facilities.

Financial data

	\$
Personnel	1 443 000
Training	1 253 000
Equipment	2 044 800
Miscellaneous	60 000
Component to be determined	<u>308 000</u>
Total	<u>5 108 800</u>

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UNITED NATIONS DEVELOPMENT PROGRAMME



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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF CHINA

IPF: (1992-96) \$176 600 000
(CPR/91/130)- Seed Breeding Programme

Date of approval by the AC: ^{1/}	10 June 1992
Expected duration:	Five years
Proposed executing agency:	Government
Government implementing agency:	Chinese Academy of Agricultural Sciences
Proposed UNDP contribution:	\$5 250 200
Total UNDP budget:	\$5 250 200
	Source of funds: IPF

Project background

The need to maintain self-sufficiency in food production is considered fundamental for the continued development of China. The Government of China has established a target of 400kg per capita grain availability by year 2000 (i.e. 500 million tons). The total grain production in 1989 and 1990 was 408 and 435 million tons, respectively. China must feed 22 percent of the world's population on less than eight percent of the world's arable land. With a population of 1.15 billion people, and an annual population growth rate of about 1.3 percent (or approximately 15 million people annually), there is clearly a need to increase production of food crops if this target is to be achieved. Given China's constraints on arable land, this target can only be achieved by an increase in yields, better use of under-utilized land, and an increase in cropping intensity. Among the major means stated for achieving these goals are the breeding and development of higher-yielding and more resistant varieties.

China, however, faces several limitations in its efforts to develop higher yielding and more resistant food crop varieties. Lack of breeding material and adequate laboratory and experimental facilities, severe constraints in human resources due to inadequate levels of training, and lack of management personnel to effectively organize crop breeding activities, all diminish the effectiveness of agricultural research in the country. At the institutional level, a highly compartmentalized research system and deficient communication among involved institutions severely affects coordination of research activities, fostering duplication of efforts and resulting in a slower rate of technology transfer and the under-utilization of China's research resources. To address the above constraints and improve water control, irrigation and drainage, invest in agricultural inputs, soil and water management and agricultural machinery, and provide leadership in each field, especially in research and development of new varieties in food crops, the Government requested UNDP

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assistance under the present approval.

Description of project

The immediate objectives of the programme are to: (a) establish a national food crop breeding capacity that will develop higher yielding varieties and hybrids with improved characteristics, so as to allow China to achieve its intended goals in food production; (b) concentrate on five major crops, namely, wheat, sorghum, maize, foxtail millet and potato; (c) operate through ten established research institutions which are the leading Chinese institutions in their fields; (d) introduce and develop new technology in food crop breeding, breeder seed production and management systems; (e) provide support to the National Programme Manager to carryout his functions in coordination (improve institutional linkages, establish improved communications, etc.) and to address issues common to the other five components such as dissemination of results, creation and support to cross-cutting task forces, studies such as long-term self-sustaining financial arrangements for agricultural research and effects of pricing policies, development of long-term monitoring and evaluation mechanisms; (f) coordinate overall management by a Programme Committee consisting of representatives of CICETE, UNDP, CAAS, Ministry of Agriculture and FAO with the NPD as ex-officio member; (g) build on existing projects to accelerate their effectiveness through a focus on human resources and training of technical and managerial personnel; (h) improve facilities for breeding research at the selected institutions which will, in turn, act as centers of advanced technical know-how to be disseminated to other institutions, as information exchange centers, and as resource institutes in research, training, demonstration, dissemination, management and development; (i) encourage mutual interactions among the recipient institutes, leading to the faster dissemination and absorption of the new techniques and methodologies transferred through the technical assistance provided; and (j) help establish linkages and scientific interaction among national research institutes in order to achieve a better integration of the various, currently unconnected, provincial seed breeding programmes for the main grains and tuber.

Inputs

UNDP will provide approximately 110 man-months of foreign experts in areas common to the various crops as well as in crop-specific subjects; approximately 488 man-months of training in the form of study tours, fellowships and group training; equipment including a mixture of field plot, laboratory, breeder seed storage and computer equipment.

Financial data

	\$
Personnel	849 700
Training	2 404 000
Equipment	1 835 500
Miscellaneous	161 000
Total	<u>5 250 200</u>

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UNITED NATIONS DEVELOPMENT PROGRAMME



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APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF CAMBODIA

IPF:(1992-96) \$ 81 629 000

(CMB/92/C01) and (CMB/92/015) - Rehabilitation of Essential Public Services in Pursat
and Siem Reap

Date of approval by the AC: ^{1/}	10 June 1992
Expected duration:	Two years
Proposed executing agency:	UNDP/OPS
Government implementing agency:	Supreme National Council of Cambodia (SNC)
Proposed UNCDF contribution:	\$3 121 000
Proposed UNDP contribution:	\$ 450 000
Total UNDP budget:	\$3 571 000

Project background

Within the framework of the National Reconciliation Process in Cambodia, the Paris Agreement calls for the repatriation of some 360,000 Cambodian refugees from the border camps in Thailand, within nine months beginning April 1992, in time to register and vote in the forthcoming April 1993 Constituent Assembly elections. The repatriation of the refugees is an integral part of the comprehensive political settlement. Furthermore, approximately 190,000 internally-displaced persons and 200,000 demobilized soldiers are expected also to be resettled.

While it is planned that the majority of the above-mentioned groups will resettle in the rural areas of the four north-western provinces (Pursat, Battambang, Banteay Meanchey, and Siem Reap), it is expected, however, that a substantial number of them will subsequently migrate to the urban centers of these four provinces or to the capital city, Phnom Penh. This migration will inevitably overburden the already meagre and war-torn basic infrastructure and public utilities of these urban centres. Among the principal reasons for this anticipated secondary migration movement, four are worth mentioning. They include: (i) lack of immediate access to potable water, health care, and education services in the intended resettlement areas; (ii) limited farming experience of the refugees who have been accustomed for the past 13 years to an urban environment in the camps; (iii) lack of sufficient and immediately accessible arable land which is free of mines; and (iv) lack of an economic base in the resettlement areas to provide either adequate employment or sufficient subsistence for these new settlers.

To underscore the effects this migration could have on the urban centers, and ultimately on the electoral process itself, the Secretary General in his recent appeal for international contributions for the rehabilitation and reconstruction of Cambodia has called for plans to strengthen the essential services such as health, water, education services and shelter provision in the urban and peri-urban centers in order to meet these anticipated needs. To this end UNDP assistance was requested under the present approval.

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Description of project

The overall objective of the project is to rehabilitate the basic public services in the two provincial capitals of Pursat and Siem Reap in the northwest of Cambodia in order to improve the living conditions of the present residents, increase the capacity of these provincial towns to accommodate and integrate new settlers, and prevent the potentially imbalanced concentration of displaced persons in the capital city of Phnom Penh.

The project consists of five components, representing each a series of small-scale realizations, most of which are to be subcontracted to local enterprises and NGOs. Most of the project components are strictly limited to the rehabilitation of existing infrastructure and can therefore be undertaken without any prerequisite technical studies. With a view to coordinate with the tight repatriation schedule, the project will use the structure of the Provincial Support Units (PSU) which are being established by UNDP/OPS.

Project activities to be undertaken under each sector will include: (i) Health Care: this consists of the rehabilitation and construction of additional facilities in the two provincial hospitals to serve a growing number of patients in the areas of internal medicine and infectious diseases, particularly tuberculosis; other construction involves hospital sanitation facilities, a maternity ward, a pediatrics center, a hospital unit for the preparation of intravenous fluid against diarrheal diseases, and related radiology and emergency equipment and vehicles. This component will be subcontracted to Medecins Sans Frontières (Belgium-Netherlands). (ii) Water Supply: this component aims at overhauling the water supply system in Pursat and Siem Reap and will rehabilitate or replace where needed water pumps, generators, treatment plants, water tanks, and distribution networks. It will extend also the existing distribution network and provide for the installation of water meters to assist the provinces to better recover the cost of its services. (iii) Electricity Supply: this includes the provision of new transformers, low and medium tension lines and meters. (iv) Housing: this consists of the provision of a fully developed site on 50 hectares for the settlement of some 1,000 low-income families in the peri-urban area of Pursat. This site-and-services component is expected to include access roads and streets, drainage, water supply, primary schools and local market. (v) Credit: the project will initiate a small credit component on an experimental basis. This component will be subcontracted to CARE.

Inputs

UNCDF will cover the cost of physical works performed by subcontractors under local and regional competitive bidding; a credit fund, and short-term advisory and monitoring missions. UNDP will finance one expert for two years with expertise in civil engineering; two UNVs civil engineers; two vehicles; and related operating costs.

Financial data

	<u>\$</u>	
	<u>UNCDF</u>	<u>UNDP</u>
Mission	60 000	40 000
Personnel	-	320 000
Subcontracts	2 400 000	-
Transport equipment	-	40 000
Credit fund	50 000	-
Contingencies	360 000	-
Operating costs		50 000
Support costs	<u>251 000</u>	
Total	<u>3 121 000</u>	<u>450 000</u>

UNITED NATIONS DEVELOPMENT PROGRAMME



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APPROVAL OF UNDP UNDO ASSISTANCE TO A PROJECT OF MAURITANIA

IPF: (1992-1996) \$23 222 000
(MAU/92/001) - (UNSO/MAU/92/X01)

Sand Dune Encroachment Control and Rural Development Project (Phase III)

Date of approval by the AC: ^{1/}	10 June 1992
Expected duration:	Five years
Proposed executing agency:	1992-1994: FAO; 1994-1997: Government
Government implementing agency:	Ministry of Rural Development and Environment
Proposed UNDP contribution:	\$ 898 900
Proposed UNDO contribution:	\$4 406 800
Total UNDP/UNDO budget:	\$5 305 700
Source of funds:	UNDP: IPF UNDO: General Resources (Danida)

Project background

In 1981 the Government of Mauritania, assisted by UNDO and UNDP, embarked upon a pilot programme for the stabilization of sand dunes, which starting in 1983, was implemented at 15 sites with a study and research component (identification of species, sand dune movement), training of national staff, the creation of awareness and the introduction of techniques for fixation among the local population (curative desertification control). During its second phase (1987) the project expanded to 64 sites and added an integrated agro-silvo-pastoral pilot programme introducing pasture rotation, improvement of natural grazing areas, harvesting and conservation of fodder, woodlots, watershed management and building of small dams at 13 sites (preventive desertification control).

Since July 1991 the project has operated under a "transitional phase". During the past year a total of 23 new sites were assisted, raising the number of direct project beneficiaries to date to an estimated 45,000 people. During the same period the project has handed over the first 26 sites to the local populations, for their own management. Most importantly, the project has received "remarkable support" and "enthusiasm" from the local population (cf. evaluation report) who have throughout made more requests for interventions than the project team is able to undertake. This has led to a strong effect of imitation: 15 villages are known to have started their own desertification control measures independently. The project team seeks to provide small tools and advice to these initiatives, as far as they are known.

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Description of project

The project in its third phase will continue to pursue its earlier objectives of protecting villages and infrastructures from sand encroachment, as these have been found valid by the in-depth evaluation, and practical by the beneficiaries.

In this final phase, the project's emphasis will shift towards: (a) enabling the village associations to take charge of and manage the natural resources in their respective areas; (b) playing a pioneer role in monitoring those villages, where project interventions are completed and responsibility for managing the site has officially been handed over to the village associations; (c) through, inter alia, sociological and village case studies, training sessions and inter-village meetings, aiming to enhance knowledge of a sustainable and integrated approach towards the management of natural resources by rural organizations; (d) in line with Government's policy of decentralization, cooperating with, working through and increasing responsibility of the concerned Government services at regional level; (e) implementing protective measures in 30 new sites annually covering a total of 2,500 hectares over five years, while 250 existing project sites will be consolidated, maintained and handed over; (f) envisaging through the preventive treatment of 49 sites integrated rural development schemes that have proven successful in the pilot phase; (g) providing pasture improvement, the cultivation of 4,000 hectares by using soil conservation, reforestation and water-harvesting techniques, combined with the establishment of a revolving fund for credit; (h) selecting three sites representing different types of soil and rainfall patterns to prepare generic village land management schemes, which are then translated into a scheme for each site and adopted by the village management committees; (i) establishing an extensive training programme at village, regional and central levels as well as a detailed economic evaluation that will help determine economic feasibility; and (j) preparing total absorption of Government technical services at regional level, inter-alia, through a series of seminars and training events, the preparation of technical guidelines, and gradual takeover by nationals.

Inputs

UNDP will provide the technical assistance: a chief technical adviser (24 work-months), 20 work-months of consultancies and three national experts totalling 168 work-months. UNSO will provide administrative support staff and labour costs; travel costs covering the movements of the project team (approximately 50 persons) to 250 project sites; consumable equipment, vehicles; operating and miscellaneous costs, as well as an agency support costs.

Financial data

	<u>UNDP</u>	<u>UNSO</u>
	\$	\$
Personnel	898 900	1 781 500
Training	-	250 000
Equipment	-	930 300
Miscellaneous	-	945 200
Support costs	-	499 800
Total	<u>898 900</u>	<u>4 406 800</u>

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UNITED NATIONS
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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
BANGLADESH

IPF: (1992-96) \$163 172 000

(BGD/92/003) - Second Gas Development Project: Consultancy Services
for Construction Supervision - (Phase II)

Date of approval by the AC: ^{1/}	10 June 1992
Expected duration:	Five years
Proposed executing agency:	Government
Government implementing agency:	Bangladesh Oil, Gas and Minerals Corporation, (BOGMC) (Ministry of Energy and Mineral Resources)
Proposed UNDP contribution:	Nil
Government cost sharing:	\$ 5 000 000
Total UNDP budget:	\$ 5 000 000

Project background

Per capita energy consumption in Bangladesh is approximately 100 kilograms of oil equivalent per annum making commercial energy consumption in the country to be among the lowest in the world. Approximately 60 per cent of the supply is derived from biomass fuel sources, namely firewood, crop residues and animal dung. The balance is derived from commercial fuels, of which about 34 per cent is supplied from imported petroleum, 59 per cent from indigenous gas, five per cent from imported coal and two per cent from hydroelectricity. Despite the low level of energy consumption, the country spends 60 per cent of its export earnings on petroleum imports, representing a severe drain on the country's limited foreign exchange resources. In an effort to alleviate this problem, the Government of Bangladesh places high priority on the development of its reserves of natural gas, and natural gas liquids. Reserves in place are estimated at 15 trillion cubic feet of gas and 18 million barrels of condensate. This represents the reserves of five gas fields which are already in production. The reserves of the remaining 12 gas fields which are not operational yet, are based on earlier reservoir study results, believed to be quite substantial. Proven reserves represents about 20 years of production after factoring in domestic consumption requirements.

UNDP has participated in the multi-donor supported Second Gas Development Project

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(SGDP) since its inception in 1985, through funding the technical assistance requirements in the form of the respective projects (BGD/85/022) - SGDP Well Drilling Supervision, and (BGD/85/023) SGDP Consulting Services for Infrastructure Engineering and Construction Supervision, with UNDP inputs of (US)\$4.37 million and (US) \$6.61 million, respectively. The other donors participating in SGDP are the World Bank/IDA, the lead donor with SDR 112.9 million (equiv. (US)\$ 150 million), the Dutch Government with Dfl 32 million, the British Government with Pounds Sterling 25.1 million, and the Canadian Government with (C)\$48.4 million in contributions, in all, totalling approximately (US) \$264.23 million.

The SGDP project experienced substantial initial delays due to problems in procurement of the drilling contractor, funded by the Canadian Government. Although the actual drilling work was completed faster than scheduled, there is now a total delay of three and a half years in the project's implementation. The SGDP investment co-financiers have agreed to continue to finance the project, on the condition that the Government ensures that the necessary construction supervision services are made available, as a continuation of the arrangements under the project BGD/85/023. Current project funds will be expended by the end of June.

Description of project

The immediate objectives of the project are to: (a) undertake comprehensive training needs assessment; (b) implement management and technical training programmes; (c) develop institution-building studies which will be aimed at strengthening the institutional structure and capacities in the gas sector; and (d) ensure the sub-sector's optimal contribution to the socio-economic growth of the country.

The studies will include, among others, the long-term development and investment plans for the sub-sector, an assessment of the institutional and regulatory mechanisms for gas pricing, efficiency audits of the gas operating companies, and technical assistance on the formation of a national gas transmission company.

Inputs

UNDP will provide through the Government services of the engineering supervision consultants, (864 work-months); two sub-contracts to provide the necessary engineering supervision for the remainder of the SGDP implementation period for the training component; and 16 work-months for consultants to carry out the institution-building studies; equipment and logistical support costs, as well as monitoring and evaluation costs.

Financial data

	\$
Personnel	55 000
Subcontract	4 766 000
Equipment	144 000
Miscellaneous	35 000
Total	<u>5 000 000</u>

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UNITED NATIONS DEVELOPMENT PROGRAMME

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APPROVAL OF UNDP ASSISTANCE TO AN INTERREGIONAL PROJECT
(INT/91/042)-Interregional Foreign Investment
Advisory Services (FIAS) (Phase II)

Date of approval by the AC:^{1/}

17 June 1992

Expected duration:

Three years

Proposed executing agency:

IFC

Implementing agencies:

Ministries/Departments of Finance and
Planning in Transition Economies in
Eastern Europe, the CIS, the Middle
East and Latin America

Proposed UNDP contribution:

\$1 515 000 Source of funds: IPF

Project background

This second phase of the FIAS Programme follows upon an earlier phase which covered the period May 1988 through May 1992. The first phase supported advisory activities, conferences and research on foreign investment policy issues. At the individual country level, the previous phase of FIAS interregional assistance encompassed work in Eastern Europe (Czechoslovakia, Hungary and Poland), in the Middle East (Egypt), in the Maghreb (Tunisia and Morocco), and in Central America and the Caribbean. Conferences and seminars supported by the earlier phase provided opportunities for countries to share experiences on various foreign investment policy issues such as the use of incentives and debt/equity swaps. Research work focused on the question of the extent to which restrictions on foreign ownership of local assets have affected foreign direct investment decisions as well as the success or failure of different types of institutional arrangements used by developing country governments to promote and monitor foreign direct investment.

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FIAS Phase II is an integral part of the public sector management component of the Fifth Cycle Global and Interregional Programme which was approved by the UNDP Governing Council in February 1992. It complements the work which Division for Global and Interregional Projects is sponsoring in the area of trade policy reform and external debt management, and forms part of a comprehensive advisory services which the Interregional Programme together with other donors are sponsoring in the area of macroeconomic management.

Description of project

The project is expected to focus its advisory efforts on selected transition economies in Eastern Europe and the CIS (Poland, Czechoslovakia and several of the CIS countries which are still to be identified); Morocco, Egypt and Turkey, and possibly Venezuela and Peru. It will endeavour to move away from short-term ad hoc types of advisory services to the direction of medium- and long-term series of interventions in selected countries. Emphasis will also be given to research into the underlying strategies of foreign investors in key industries. A knowledge of these strategies will be a key element in understanding the factors influencing the flow of foreign investment to the middle-income developing countries which are to be the focus of the interregional project.

Inputs

UNDP will provide the services of high-level foreign investment specialists and other short-term consultants. The IFC will, for its part, make available financial officers with project appraisal skills, attorneys who can help to structure agreements between local and foreign partners who might otherwise not have been willing to invest.

Financial data

	\$
Personnel	1 483 000
Miscellaneous	32 000
Total	<u>1 515 000</u>

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
COUNTRIES IN ASIA AND THE PACIFIC

IPF:(1992-96) \$3 150 000

(RAS/92/032) - Strengthening the Foreign Investment Environment

Date of approval by the AC: ^{1/}	17 June 1992
Expected duration:	Five years
Proposed executing agency:	International Finance Corporation/Foreign Investment Advisory Service
Proposed UNDP contribution:	\$3 000 000
Total UNDP budget:	\$3 000 000

Project background

In recent years, many Asian and Pacific countries have come to recognise the critical contribution to improved economic performance of privatisation of productive enterprises, outward-looking trade regimes, higher investment rates in productive sectors, and stable policy environments. This new strategic emphasis reflects a growing recognition of the role of private sector development in economic dynamism.

Accompanying the region's impressive record of overall growth during the 1980s has been a shift in attitude towards Foreign Direct Investment (FDI). Since the early part of the decade, there has been a renewed interest in the flow of FDI, both as a source of capital as well as a means to acquire management, and marketing skills, technology, and other key factors of production. To this end a number of countries have introduced new policies, institutions and procedures aimed at strengthening their investment environment. These efforts have been assisted by UNDP technical cooperation, increasingly channelled through IFC's Foreign Investment Advisory Services.

It is clear, while the Asia-Pacific region has been relatively successful in attracting new FDI, capital flows on the scale of the 1970s are unlikely in the future. Developing countries will have to rely increasingly, therefore, on the mobilization of limited resources through the private sector and FDI will continue to play a critical role. Developing countries in the region are intent on continuing to strengthen their respective investment environments and the challenge for UNDP will be to provide sophisticated and timely assistance in order to accelerate this process.

Several countries have had notable success in attracting FDI. However, most countries embarking on programmes of economic reform have not yet succeeded in creating an environment conducive to investment by foreign firms. This gap between objectives and policies is often

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the result of a lack of knowledge of the kind of policy changes needed to create the investment environment. The proposed new programme builds on the outputs of the two phases of a related regional project during the Fourth Inter-country Programme (RAS/86/080 and RAS/88/030). During the previous phases, a number of countries (including China, Indonesia and the Philippines) have introduced policy measures as a result of FIAS assistance which have contributed to significant increases in FDI flows as well as to the overall improvement in the investment environment. The programme has been formulated on the basis of extensive consultations with the governments in the region, including a high-level Roundtable on Foreign Direct Investment in Asia and the Pacific in the 1990s, held in March 1990 in Honolulu.

This project falls under the ICP V theme on Economic Management and Reform, sub-programme ER.2 - Resource Mobilization for Development, of which the objective is "to enable developing countries in the region, especially those with relatively under-developed financial markets, to institute financial sector reforms and attract FDI, leading to an enhanced capacity for resource mobilization".

Description of project

The immediate objective of the project is to provide comprehensive, sustained and on-going assistance to the participating countries in their deregulation and economic liberalization process, with the emphasis on attracting FDI flows and channelling such flows to the priority sectors of the economy. The advisory assistance will focus on the strengthening of the overall policy/regulatory framework to attract FDI, formulation of investment promotion strategies, taking into account the investment opportunities and policy framework, and support to the institutional capacity building. The programme will take full advantage of the unique diversity of development experience within the region to support mutually beneficial initiatives both within and across subregions.

The project will provide assistance to groups of countries with similar needs: economies in transition; small island economies; South Asian reforming economies; and middle income economies. This approach is a reflection of the objective of UNDP to "take full advantage of the unique diversity of development experience within the region to support mutual beneficial initiatives both within and across subregions". The focus of assistance in the economies in transition and the small island economies will be on the development of basic policies needed to attract FDI. Institutional capacity-building will be critical in South Asia while in the middle income economies the emphasis will be on specific policy concerns, e.g., backward linkages, and the adjustment of existing policy frameworks.

Inputs

UNDP will provide the services of a project co-ordinator, policy specialists, institutional/promotion experts, and other international consultants; training of government officials; and to the extent possible, expertise among individuals and institutions within the region to enhance inter-country exchange.

Financial data

	\$
Personnel	2 442 000
Training	540 000
Miscellaneous	18 000
Total	<u>3 000 000</u>

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UNITED NATIONS DEVELOPMENT PROGRAMME



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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF AFGHANISTAN

IPF: (1992-96) \$70 039 000

(AFG/86/020) - Employment Support Services for the Disabled (Supplementary Assistance)

Date of approval by the AC: ^{1/}	17 June 1992
Expected duration:	42 months
Proposed executing agency:	ILO
Government implementing agency:	Ministry of Labour and Social Affairs, NGOs and communities
Proposed UNDP contribution:	\$631 500
Previous UNDP budget:	\$673 900
Total UNDP budget:	\$1 305 400

Project background

Afghanistan has been devastated by 14 years of bloody conflict through rockets, gunfire, bombing and mines, killing and injuring thousands of people. Compounding the above, the percentage of physical and mental disability is estimated to be double the average worldwide.

The two-year project, with the title "Rehabilitation Centre for Mothers and Children" and UNDP inputs of (US)\$468,200, was approved in July 1989 after a preparatory assistance mission with the Ministry of Health as the Government implementing agency. It became operational in April 1990, after a substantial revision (E) and an increase of (US)\$140,000. The title was changed to the present one "Employment Support Services for the Disabled" with activities focusing on a community-based approach extended to provinces outside Kabul. Revision 'F', approved in May 1991 reflected the change in Government implementing agency to the Ministry of Labour and Social Affairs in cooperation with the Government-supported NGO, the National Association of Disabled Afghans (NADA).

The project has developed a pool of local workers who are providing basic services to two target groups: (i) women and children disabled by disease, genetics and war, and (ii) men and youths disabled by war and disease, but

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especially the former. The services have been operating in Kabul, Parwan, Nangahar and Baghlan provinces. The project has exceeded all outputs reflected in Revision 'F', providing 600 clients with employment support in 47 trades compared to the 200 reflected in the project document. Against a target of 30, the project has trained a total of 144 Employment Support Workers (ESW) and 10 mental health Community-based Skills Development Workers (CSDW). A staff training unit and a resource/referral centre have been established in collaboration with NADA. To provide and maintain employment support services for the disabled, the Government requested further UNDP assistance under the present approval.

Description of project

The project aims to strengthen and sustain the capacity of community-based rehabilitation services for the disabled, and to extend such services to Balkh, Takhar and Wardak provinces. In Balkh, the project will take advantage of the inroads made at the grassroots level by the ongoing UNDP/OPS Northern Rural Rehabilitation project working with some communities, and in Takhar and Wardak the project will link up with the UNOCA-funded Disabled Afghans Project (DAP). In addition, the revised activities will include the strengthening of the Resource/Referral Centre which may have to move to another location due to occupancy by others as a result of events of the past eight weeks.

Inputs

UNDP will provide a total of 88 work-months of expert and consultant services; subcontracts with NGOs and local communities to establish Employment Support Services (ESS); training; equipment; and miscellaneous costs.

Financial data

	£
Personnel	306 300
Subcontract	91 300
Training	85 900
Equipment	60 000
Miscellaneous	<u>88 000</u>
Total	<u>631 500</u>

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